

Kentucky Agricultural Finance Corporation

Minutes of the April Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board was held on Friday, April 13, 2007 at 10:00 AM EDT at the office of the Commissioner of Agriculture in Frankfort, Kentucky. Mark Farrow, presiding, called the meeting to order. Mr. Farrow then asked Nicole Ray, Secretary, to call the roll.

Members Present

Commissioner Farmer (Mark Farrow, designee), Secretary Farris (Ed Ross, designee), Larry Jagers, Billy Joe Miles, Charles Miller, James Reams, Frank Penn, Annette Crawford Walters

Members Absent

Bob Gaslin, Wayne Hunt, Doug Lawson, Bob Proffitt

Others Present

Staff – Tim Hughes, Bill McCloskey, Nicole Ray, Keith L. Rogers

Guests – Lowell Atchley, Legislative Research Commission

Notification of Press

Keith Rogers stated that the media had been notified.

Review and approval of Minutes of March 2, 2007

A motion to approve the March minutes was made by Mr. Jagers, seconded by Ms. Walters. The motion passed without dissent.

Executive Director's Report

Mr. Rogers notified the Board that the Master Settlement Agreement payment will be due to the Agricultural Development Board (ADB) next week. The county money will be available for disbursement in May.

Mr. Rogers updated the Board on the West Kentucky Growers Cooperative (WKGC) facility in Owensboro. The facility was leased for three years to Cabbage Inc. The plastic bins and processing equipment was liquidated at auction for roughly \$33,000. Mr. Rogers reminded the Board of the upcoming meetings: The May meeting will be held on the second Friday, May 11. The June meeting is scheduled for Friday, June 1. The joint meeting with ADB will be held July 19-20 in Northern Kentucky. .

Marketing and Business Development Coordinator's Report

Mr. Hughes updated the Board that the Linked Deposit program currently has \$8,795,840 loaned out.

New Business

Kentucky Agricultural Council's Strategic Planning Initiative

The Kentucky Agricultural Council will be an umbrella organization with a task force that works on the strategic plan for Kentucky. Mr. Rogers asked the Board if they would like to nominate a representative and an alternate to serve on the Council. The first meeting is scheduled for May 2 in Elizabethtown. **Mr. Miles moved to nominate Mr. Jagers to serve as the representative and Mr. Penn to serve as the alternate. Mr. Miller seconded the motion. The motion passed without dissent.**

KAFC Funding Request to the Kentucky Agricultural Development Board
Staff recommends that the Board request an additional \$2 million for the Agricultural Infrastructure Loan Program and \$1 million for the Agricultural Processing Loan Program from the ADB.. **Ms. Walters moved to make the request to the ADB for additional funds as recommended by staff, Mr. Penn seconded the motion. The motion passed without dissent.**

Loan applications

Agricultural Infrastructure Loan Program - Discussion and Action

Mr. Hughes presented the following loan applications:

AF06-0057 JDS Poultry – The project went over budget and they are asking KAFC to subordinate to additional debt. **Mr. Miles moved to approve the request, Mr. Miller seconded. The motion passed without dissent.**

AF06-0086 Karen Bethel – Application has been withdrawn.

AF07-0015 Leon and Vivian Green – Applicants requested \$28,850 for construction of a 200' x 48' tobacco barn in Grayson County. Farm Credit Services of Mid-America in Elizabethtown is the participating lender. The request was approved by staff on March 12, 2007.

AF07-0016 Eric and Jill Hayden – Applicants request \$100,000 for construction of four poultry barns in Carlisle County. Jackson Purchase Agricultural Credit Association in Bardwell is the participating lender. **Mr. Miller moved to approve the request, Ms. Walters seconded the motion. The motion passed without dissent.**

AF07-0017 Randy and Lisa Godman – Applicants request \$22,250 for construction of a 17,446 bushel grain bin in Pendleton County. Farm Credit Services of Mid-America in Lexington is the participating lender. **Ms. Walters moved to approve the request, Mr. Miles seconded the motion. The motion passed without dissent.**

AF07-0018 Chad and Cheri Monroe – Application is incomplete.

AF07-0020 John Wilson – Applicant requested \$37,500 for construction of two tobacco barns and migrant housing in Hickman County. First Kentucky Bank in Bardwell is the participating lender. The request was approved by staff on March 28, 2007.

AF07-0021 Danny Joe and Melva Hart – Applicants requested \$37,500 for construction of a 60,000 bushel grain bin in Graves County. Jackson Purchase Agricultural Credit Association in Mayfield is the participating lender. The request was approved by staff on March 28, 2007.

AF07-0022 John's Custom Meats, LLC –Application is incomplete and staff is working with applicant to determine if the project fits within the Infrastructure or the Processing Loan Program.

AF07-0023 Ricci and Brenda Roland – Applicants request \$50,750 for construction of a 180' x 60' tobacco barn with a 16' x 36' stripping room in Harrison County. Farm Credit Services of Mid-America in Lexington is the participating lender. **Ms. Walters moved to approve the request, Mr. Penn seconded the motion. The motion passed without dissent.**

AF07-0024 Martin and Donna Moses – Applicants request \$100,000 for construction of a grain facility in Graves County. Jackson Purchase Agricultural Credit Association in Mayfield is the participating lender. **Mr. Jagers moved to approve the request, Mr. Ross seconded the motion. The motion passed without dissent.**

AF07-0026 Billy and Debra Kimbro – Applicants requested \$15,000 for construction of a three acre dark fire tobacco barn in Calloway County. Regions Bank in Murray is the participating lender. The request was approved by staff on April 3, 2007.

AF07-0027 Williams Poultry, Inc. – Applicants request \$100,000 for construction of two broiler barns in Calloway County. Regions Bank in Murray is the participating lender. **Ms. Walters moved to approve the request contingent upon further explanation of consolidated net worth, Mr. Miles seconded the motion. The motion passed without dissent.**

AF07-0028 James and Deborah Housden – Applicants requested \$21,750 for construction of a 40' x 80' tobacco barn in Calloway County. Regions Bank in Murray is the participating lender. The request was approved by staff on April 5, 2007.

AF07-0029 James Ray Murdock – Applicant requests \$14,418 for construction of a farm shop in Calloway County. Regions Bank in Murray is the participating lender. **Mr. Reams moved to approve the request, Mr. Penn seconded the motion. The motion passed without dissent.**

AF07-0031 Larry and Helena Pitcock – Applicants request \$47,746.50 for construction of a 120' x 40 stripping barn and a 196' x 42' tobacco barn in Monroe County. Edmonton State Bank is the participating lender. **Mr. Jagers moved to approve the request, Mr. Miller seconded the motion. The motion passed without dissent.**

AF07-0032 Rocky Fork Feeders, LLC – Applicants request \$100,000 for the construction of a livestock facility to be used for a feeder cattle operation in Shelby County. Farm Credit Services of Mid-America in Shelbyville is the participating lender. **Ms. Walters moved to approve the request, Mr. Ross seconded the motion. The motion passed without dissent.**

AF07-0034 Duane Atherton – Application is incomplete.

AF07-0035 KAD Farms – Application is incomplete.

AF07-0036 Allan Murray – Application is incomplete.

AF07-0037 Ed Grider – Application is incomplete.

Agricultural Processing Loan Program – Discussion and Action

Mr. Hughes updated the Board on the following application:

AF07-0014 Jean Farris Winery & Bistro – Application is still pending.

Beginning Farmer Loan Program – Discussion and Action

Mr. Hughes presented the following applications:

AF07-0019 Jeremy and Randi Jury – Applicants request \$25,000 for the down payment on a 5.95 acre tract and existing tobacco barn in Nelson County. Farm Credit Services of Mid-America in Elizabethtown is the participating lender. **Mr. Penn moved to approve the request, Ms. Walters seconded the motion. The motion passed without dissent.**

AF07-0025 Brad and Tracey Bertram – Applicants request \$50,000 for the down payment on a 56+/- acre farm in Barren County. South Central Bank in Glasgow is the participating lender. **Mr. Miles moved to approve the request contingent upon all terms being met, Mr. Reams seconded the motion. The motion passed without dissent.**

AF07-0030 William and Kimberly Galloway – Applicants request \$89,875 for the down payment on a 46.2 acre farm and the construction of a 5.5 acre tobacco barn in Graves County. Regions Bank in Murray is the participating lender. **Mr. Miller moved to approve the request, Mr. Penn seconded the motion. The motion passed without dissent.**

AF07-0033 Michael and Nora McCain – Applicants request \$33,375 for the down payment on a 38.125 acre farm in Washington County. Central Kentucky Agricultural Credit Association in Lebanon is the participating lender. **Mr. Reams moved to approve the request, Mr. Ross seconded the motion. The motion passed without dissent.**

Old Business

No old business.

Other Business**Closing Remarks**

The motion to adjourn was made by Mr. Penn, seconded by Mr. Ross.

The motion passed without dissent. The meeting adjourned at 11:30 am EDT.